8601504/2024/BUILDINGS-TRB01

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

R&B Department – Buildings – Permission to the Committee of Chief Engineers to examine the applicability of price escalation clause in each of the 18 projects of Judicial Building works as per G.O.Ms.No.94. T, R&B Department dt.16.04.2008 and G.O.Ms.No.35, T,R&B Department, dt.30.01.2009 - Recommendations of Committee of Chief Engineers for the work **"Construction of III additional district court at Kakinada"** -Payment towards price escalation/adjustment-Accepted- Orders – Issued.

TRANSPORT, ROADS & BUILDINGS (B) DEPARTMENT

G.O.Rt.No.108 Date.28.02.2024

Read the following :

1. G.O.Ms.No.58, Home (Courts-B) department dt.12.04.2017.
2. G.O.Rt.No.98, Law (L&LA&J-Home (Courts-B) Dept., dt.09.02.2018.
3. G.O.Rt.No.38, Law (L&LA&J-Home (Courts-B) Dept., dt.21.03.2018.
4. G.O.Rt.No467, Law (L&LA&J-Home (Courts-B) Dept., dt.06.05.2019.
5. G.O.Rt.No641, Law (L&LA&J-Home (Courts-B) Dept., dt.26.07.2019.
6. G.O.Rt.No.244, Law (L&LA&J-Home (Courts-B) Dept., dt.03.03.2020.
7. WP PIL No.258 of 2021 filed in AP High Court.
8. W.P.No.4751/2022 in APHC filed by M/s Sri Satya Sai Constructions.
9. From the Chief Engineer (R&B) Buildings, RSW, AP., Vijayawada, Lr.No.Price Escalation/Court Bldgs./EE(B)/DEE(4)/AEE3/2022, dt.30.11.2022.
10. Govt.Memo.No.TRB01-RDS0BMIS(RBLD)/5/2022-BLDGS,dt.29.12.2022.
11. From the Chief Engineer(R&B) Buildings,Lr. No.Price Escalation/Court/EE(B)/DEE4/AEE3/2022 dated: 18.01.2023.
12. G.O.Rt.No. 52, Transport, Roads & Buildings (B) department,dt.01.02.2024.
13. From the Chief Engineer, R&B, Buildings, Vijayawada, Letter.No.Price adjustment/court Bldgs/EE(B)/DEE (RR)/AEE1/2022-23, dt.26.02.2024.

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ORDER:

1) In the references 1st to 6th read above, Government have sanctioned certain works for construction of Judicial Buildings and Residential quarters for Judicial Officers. Subsequently, as per the recommendations of the Buildings Committee meetings convened by the Hon'ble High Court of AP, the price escalation/adjustment clauses were removed from the tenders for above works for the purpose of quick execution.

2) In the references 7th to 8th read above, certain contractors filed Writ Petitions and WP (PIL) 258/2021, for incorporating the clause of price adjustment in their agreements of Judicial Building works citing financial constraints in completion of works due to COVID pandemic.

3) In the reference 9th read above, the Chief Engineer (R&B) Buildings has informed that many contractors are requesting to allow for price adjustment clause in their work agreements, in the context of COVID-19 pandemic and steep hike of material cost, for favour of completing the judicial building works. Further the CE (R&B) Buildings, has requested the Government, to allow price escalation/adjustment clause in their work agreements as per G.O.Ms.No.94, TR&B Dept, dt.16.04.2008 and G.O.Ms.No.94, T,R&B Dept., dt.30.01.2009, in view of the Writ Petitions and WP PIL (258) of 2021 filed in AP High Court.

(P.T.O)

4) In the reference 10th read above, the Chief Engineer (R&B) Buildings, was instructed to place the matter before the Committee of Chief Engineers of R&B to examine the representations and to recommend necessary measures in the interest of completion of projects and avoid further delays.

5) In the reference 11th read above, the Chief Engineer (R&B) Buildings, has submitted the recommendation of COCE, that the Committee of Chief Engineers of R&B, after detailed discussion with its collective wisdom opined that the issue of applying price escalation may be considered by the Government favourably, considering the special circumstances such as COVID-19 for the 19 Projects.

6) In the reference 12th read above, Government, after careful examination of the matter have permitted the Committee of Chief Engineers to examine the applicability of price escalationclause in each of the 18 projects of Judicial Building works as per G.O.Ms.No.94, T,R&B Dept, dt.16.04.2008 and G.O.Ms.No.35, T,R&B Department, dt.30.01.2009, duly ascertaining whether the delay was caused due to covid pandemic or not and then make necessary recommendations to the Secretary, Transport, Roads and Buildings regarding applicability of price escalation/ adjustment in each case and the Secretary, Transport, Roads and Buildings shall pass orders as deemed fit in each case.

7) In the reference 13thread above, the Chief Engineer (R&B) Buildings, has informed that the Committee of Chief Engineers have examined the ongoing Judicial works as on 10.01.2023 affected due to covid pandemic and in respect of the work "Construction of III additional district court at Kakinada" recommended to consider the price escalation/ adjustment for the work executed during the period from 01.04.2020 to 29.02.2024 as the progress of work was hampered due to COVID 19 and as the work is likely to be completed by 29.02.2024.

8) The Government, after careful examination of the matter and taking into consideration of the recommendation of Committee of Chief Engineers, hereby permits, price escalation/adjustment for the work sanctioned in the reference 1stread above, i.e., **"Construction of III additional district court at Kakinada",** executed during the period from 01.04.2020 to 29.02.2024,**subject to the following conditions:-**

(i) price escalation/ adjustment has to be calculated as per G.O.Ms.No. 94, TR&B Department, dt.16.04.2008 and G.O.Ms.No.35, TR&B Department, dt.30.01.2009 by the concerned Executive Engineer (R&B) and verified and approved by the concerned Superintending Engineer (R&B).

(ii) price escalation/ adjustment shall be considered for the above mentioned period only. Work executed beyond the above period shall not be considered for price adjustment.

(iii) amount due to the contractor as result of application of price escalation/ adjustment shall be paid only after completion of work.

9) The orders in this G.O. are being issued in exceptional circumstances & shall not be quoted as precedent in other cases, neither now nor in the future.

10) The Chief Engineer (R&B), RSW & Buildings, Vijayawada shall take necessary action accordingly.

(P.T.O)

11) This order issued with the concurrence of Finance department vide their Fin UO. No. FIN01-FMUOMRAS (TRBD)/18/2023 – FMU-TR-B, 1974995 (1933029) dated: 31.01.2024.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

PRADYUMNA P.S.
SECRETARY TO GOVERNMENT

To,
The Chief Engineer(R&B) RSW & Buildings, A.P., Vijayawada.

Copy to:
The General Administration (Cabinet) Department.
The Finance (FMU.T,R&B) Department.
The Law Department.
The Accountant General, A.P., Vijayawada.
The Pay & Accounts Officer, Vijayawada.
The PS to Minister (R&B).
The PS to Secretary, TR&B Department.
SF/Sc.

//FORWARDED :: BY ORDER//

BSlatha
SECTION OFFICER